

3 ARTICLE APPEARED
ON PAGE A1.

WASHINGTON POST
10 October 1986

Fliers' Network Shares Old CIA Links

By Joanne Omang and Joe Pichirallo
Washington Post Staff Writers

The cargo plane shot down Sunday in Nicaragua with three Americans and a load of weapons aboard was part of a shadowy worldwide network of private contract airlines and independent pilots who share past links to the Central Intelligence Agency and a continuing taste for adventure.

People now or previously involved in the network suggested in interviews yesterday that an informal brotherhood of Vietnam war veterans of covert action operations has been reactivated in Central America to transport goods to Nicaraguan rebels, known as contras, who are trying to overthrow the leftist Sandinista government. They agreed that the CIA, while it may not be directly involved, keeps an eye on the proceedings.

"There is a large group of unemployed or underemployed pilots who have airplanes, who are vying with one another, bidding for the flying jobs that exist in Central America," retired major general John K. Singlaub said at a news conference. "Some of them haul fresh vegetables from Guatemala to the United States. The same airplane that last week was hauling cantaloupes . . . next week may be hauling bullets."

Singlaub, who has boasted in the past of buying arms in other countries for the contras, vehemently denied published reports that he had been behind the flight of a Fairchild C123K cargo plane in which pilot William J. Cooper of Reno, Nev., copilot Wallace B. Sawyer Jr., of Magnolia, Ark., and an unidentified Latin American were killed.

Singlaub said he believed CIA denials of links to the flight, although the flight's sole survivor, Eugene Hasenfus, of Marinette, Wis., told reporters in Nicaragua yesterday that he was "a worker" for the CIA.

"In the past people have sincerely believed they were working for the CIA when they were not," Singlaub said. "If you're working for the CIA there would be an air rescue effort

standing by" as the plane enters enemy territory. Singlaub continued. "There would be all sorts of electronic surveillance" to warn of possible attack. "Obviously this one had none of that," he said.

Elliott Abrams, assistant secretary of state for inter-American affairs, said in an interview that it is "predictable and logical" that "there is a small circle of people who fly into hostile territory carrying military supplies." They "are ex-Vietnam, ex-CIA, ex-Air America," the CIA's Vietnam-era cover airline, and have worked in Africa and elsewhere.

There is "no relation at all between the CIA and these people," Abrams said. However, "the CIA is asked to report on events in Central America, and among things they report on to us is some of this activity . . . but they do not direct it, directly or indirectly, wink or nod, or steer people. It's illegal," Abrams said.

Under a 1984 law that barred CIA aid to the contras, the agency may still do "intelligence sharing" with them but may not train, arm, equip, advise or otherwise direct any contra activity. That restriction will be lifted under the \$100 million U.S. contra aid package awaiting final approval in Congress.

State Department officials said yesterday that the restriction may be technically lifted already under the terms of the temporary omnibus spending bill in effect through today. "We view it as not lifted and are acting as though it is not; some people would get angry if we did otherwise," Abrams said.

Nevertheless, the House Judiciary subcommittee on criminal justice said yesterday that it will investigate possible violations of law in the plane crash incident, joining probes already under way by the Senate Select Committee on Intelligence and Foreign Relations Committee.

Senate Majority Leader Robert J. Dole (R-Kan.) complained that the facts of the case "just don't, shouldn't anyway, add up to banner headlines or lead stories." Hasenfus, "being paraded from pillar to

post by some Sandinista goons just so the press can get a good camera angle, becomes the symbol of all kinds of imagined evil," Dole said. "If you stick to the facts, it isn't much of a story."

A report in the Long Island newspaper Newsday cited defense sources as saying funds for the flight, an estimated \$250,000, were provided by Saudi Arabian officials, but Saudi spokesmen denied any government links. The report cited Senate intelligence committee staff sources as saying that the officials may have acted on their own, possibly through retired Air Force major general Richard Secord, a former adviser to Defense Secretary Caspar W. Weinberger on Mideast arms.

Secord was unavailable for comment, but other sources close to the Saudis said his links with them virtually ended in 1983 when he left the Defense Department.

William M. Leary, a history professor at the University of Georgia and author of a history of CIA covert operations in Southeast Asia, said the dead pilot Cooper, like Hasenfus, once worked for Air America.

Leary said he met Cooper in Reno, Nev., while doing research for a new book on Air America. Cooper had been a Navy pilot in the Pacific during World War II and showed Leary a commendation letter from the late Adm. William F. Halsey, Leary said.

Cooper flew jets for the Navy in the Korean war and later was the chief pilot for Air America's C123 cargo planes, flying rice and guns from the Udorn air base to CIA-backed hill tribes in Laos.

"Sure, he was in it for the money and the adventure, but he was also a patriot," Leary said. "The Sandinistas couldn't have given him enough money to get him to work for them." Nearly 60. Cooper "was

looking for a job" when Leary last saw him a year ago. "I guess he found it," Leary said.

"The network wouldn't really be possible unless the American government took a benevolent attitude toward the whole thing," he said. "There's no U.S. money or personnel, but . . . you don't get access to Salvadoran military bases on your own."

Intelligence officials told members of Congress Wednesday that the downed plane had flown to Nicaragua out of Ilopango air base in El Salvador, a tightly guarded military facility. Knowledgeable sources who recently traveled to El Salvador said yesterday that a four-member American flight crew apparently lives in a barracks at Ilopango, maintaining contra airplanes parked there and contract airline planes that come in periodically, an account that tallies with Hasenfus' remarks.

D Leary said Southern Air Transport Inc., which employed copilot Sawyer until last year, had a Latin American division and an Asian division when it was owned by the CIA between 1960 and 1973. When the CIA sold all its proprietary lines in 1973, "it retained friendly relations" with the airline, he said.

Southern Air was purchased to provide support to two other CIA-owned airlines operating in the Far East—Air America and Air Asia—according to Lawrence R. Houston, general counsel to the CIA who retired in 1973.

"This was sort of a family of companies working closely together," Houston recalled in a telephone interview yesterday. He said Southern Air helped with legitimate commercial work, although some of its crew members "from time to time might have been assigned to Air America."

When Southern Air was a CIA front, Houston said, two of its stockholders and directors were Percival Flack Brundage and E. Perkins McGuire, respectively director of the old Bureau of the Bud-

get and an assistant secretary of defense during the Eisenhower administration. Both are now dead.

The third director and stockholder was Stanley G. Williams, and when the CIA sold the company, Williams bought it, Houston said. But Williams is no longer listed in Florida state corporate records, and a secretary yesterday said he is no longer with the company.

The company's current chairman is James H. Bastian, a former Washington, D.C., lawyer, the records show. Bastian did legal work for Southern Air when it was owned by the CIA and also was a lawyer for Air America, according to Houston and published reports.

Efforts to reach Bastian and other Southern Air officials have been unsuccessful.

According to a 1976 report by the Senate Select Committee on Intelligence, the CIA decided to sell Southern Air because "the political realities and future operational requirements in the postwar era of Southeast Asia . . . did not call for such a transport operation."

Houston said that, after the firm was sold, "so far as I know we [the CIA] had no further dealings with it."

Houston said he doubted that the plane downed in Nicaragua was linked to the CIA because it would be "rather ridiculous" to use a firm already publicly linked to the agency.

In a Wednesday statement, Southern Air spokesman William Kress said the company did not own or operate the downed aircraft. He said in published interviews that Southern Air did maintenance work on the plane, but would not say who contracted for the work.

Records of the Dade County Aviation Department show that a C123 with registration identical to the downed craft was parked for servicing at Southern Air from July 29 through Aug. 4.

Staff writer Charles R. Budcock contributed to this report.